TARGETING REIMBURSEMENT

APA Services is working to secure proper and timely payment for psychologists under the new psychological and neuropsychological testing codes.

BY NICOLE OWINGS-FONNER, MA
n Jan. 1, 2019, changes to the billing codes that psychologists use to get reimbursed for neuropsychological and psychological testing services took effect. The new codes and a new coding structure, adopted by the Centers for Medicare and Medicaid Services (CMS), seek to more accurately describe the multiple hours of technical and professional work performed by psychologists and neuropsychologists while conducting assessment services.

The changes were intended to improve the way that providers are reimbursed. But when psychologists started using the codes in January, they reported a range of problems, including uncertainty over how to bill and insurers’ lack of preparedness for the new codes, which led to low payment, delay in payment and even no payment for some psychologists.

Fortunately, the process has been steadily improving, thanks to APA Services, Inc., outreach by state psychological associations, and insurers getting up to speed on the changes, says APA Chief of Professional Practice Jared Skillings, PhD, ABPP.

“We’re moving through predictable glitches at the level of third-party payers,” adds Radhika Krishnamurthy, PsyD, ABPP, a professor at the Florida Institute of Technology and member of the Testing Advisory Group, a multidisciplinary group of assessment experts that has worked with APA Services throughout the development and rollout of the new testing codes.

CHANGES IN THE CODES
APA Services has been an invited participant in the American Medical Association’s CPT® Editorial Panel and Specialty Society Relative Value Scale Update Committee (RUC) (See the related infographic: How Your Services Are Valued.) These committees, created by the AMA and comprising stakeholders from health-care organizations, are responsible for creating and revising CPT codes and their values. As a member of the RUC for over 25 years, APA Services has advocated for modern, fair and accurate coding and reimbursement for all services psychologists provide, including testing services. In addition, APA Chief Executive Officer Arthur C. Evans Jr., PhD, and Past President Tony Puente, PhD, met with CMS officials to explain the value of neuropsychological and psychological testing services.

The new set of codes provides a clear differentiation between professional and technical services (i.e., technical test administration and scoring services versus professional evaluation services). The codes also delineate the work performed by a psychologist or neuropsychologist who personally administers tests and the work of a technician who administers tests under the supervision of the provider.

The new codes are also part of a modernized coding structure that includes stand-alone base codes describing the primary service, as well as add-on codes that describe additional work and time associated with the primary service. This structure is a departure from the previous system where multiple units of the same original code were billed for additional time required to complete the same service. In addition, the new coding structure now uses 30-minute increments rather than one-hour time units for test administration and scoring services. Practitioners must pay close attention to the units of time stated in each testing code descriptor, as they now vary from 30 minutes to one hour.

SETTING THE STAGE FOR IMPLEMENTATION
In the six months leading up to the new codes’ implementation in January, APA Services conducted an educational campaign on the new codes for practitioners and insurers.

For psychologists, APA Services created resources including descriptions of the new codes, a comparison guide with crosswalks between the old and new codes, Q&A documents, instructional webinars and more. (Visit APAServices.org and search for “testing codes.”)

For payers, APA Services’ psychology and coding experts held a live 45-minute webinar “The new codes are an adjustment. Going from two codes to many, changes in documentation expectations, billing in half-hour instead of hour units. It takes time to figure out what that means on a day-to-day basis,” explains Caleb Peck, PsyD.
Each year the American Medical Association’s CPT® Editorial Panel creates new and updates existing CPT® codes that psychologists and other providers use to bill insurers for treatment. Specialty societies, such as APA, work with the panel to ensure that the codes are clinically relevant. Every code corresponds to a service you provide. Here’s how payment rates for those services are set.

1. **YOUR INPUT IS CRITICAL**
   You share input via surveys about the time and complexity/intensity of the services you provide.

2. **APA ANALYZES DATA**
   APA collects and summarizes the data, then uses it to create value recommendations for each service.

3. **COMMITTEE REVIEW**
   APA presents its recommendations to the AMA Relative Value Scale Update Committee (RUC) for consideration.

4. **FEDERAL AGENCY ASSIGNS VALUES**
   After reviewing data from APA and other health-care organizations, AMA submits value recommendations for CPT codes to the Centers for Medicare and Medicaid Services (CMS). CMS has the authority to accept or amend the values.

5. **PUBLISHED BENCHMARK**
   CMS publishes proposed value recommendations for each service in the Medicare Physician Fee Schedule. After a public comment period, CMS releases the final values, which take effect each year on Jan. 1.

6. **INSURANCE DECIDES PAYMENT**
   Private insurance companies set reimbursement rates for psychological services, and other health-care services, using values published in the Physician Fee Schedule as a benchmark.

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On Nov. 28, 2018, APA Services surveyed psychologists to find out how they had experienced the transition. Many reported carrying out APA Services’ recommendations. Practitioners were prepared for the changes, but insurance companies were not.

For example, Caleb Peck, PsyD, a neuropsychologist at Clarus Health Alliance in Connecticut, consulted APA Services’ online resources and shared the code descriptions and crosswalks with his colleagues. “The new codes are an adjustment. Going from two codes to many, changes in documentation expectations, billing in half-hour instead of hour units. It takes time to figure out what that means on a day-to-day basis,” explains Peck. He also contacted his insurance carriers in November and December to find out more.

Unfortunately, Peck heard what many others soon discovered: Insurers either were not aware of any changes or couldn’t provide any specifics on their payment policies under the new code set. That meant that in early 2019, many psychologists faced long delays in posting fee schedules, rejected claims, payment delays, low reimbursement rates and poor communication.

“Despite our due diligence and figured out these new codes and we were ready to roll on Jan. 1. It’s extremely frustrating that huge insurance companies couldn’t also be prepared,” says Greg Perri, PsyD, a neuropsychologist at Compass Counseling and Psychology Services in Kentucky.

To further complicate matters, APA Services learned about a glitch that was exacerbating the confusion. The National Correct Coding Initiative (NCCI)—an entity developed by CMS to control the use of improper coding leading to inappropriate payment of Medicare and Medicaid claims—issued a problematic “edit” to the new codes. (The edits are rules that govern how different codes can be billed together. They are updated quarterly based on changes to the AMA’s CPT® Manual, national and local policies, and current coding practices.) In the edit, the NCCI did not allow the base and add-on codes for test administration and scoring and testing evaluation services to
be billed on different dates of service. That led to payment problems and confusion among psychologists on how to bill.

In response, APA Services reached out to the NCCI to help them better understand standard practice in conducting testing services, which typically involves multiple service dates spread over an episode of care, such as testing sessions and interactive feedback. APA Services’ advocacy efforts led the NCCI to reverse its position, and the problematic edit was suspended in early April retroactive to Jan. 1.

TURNING THE TIDE

After hearing psychologists’ concerns, APA Services contacted payers who were not paying practitioners, paying low rates or otherwise creating reimbursement problems, to help educate them on how to properly implement the new testing codes.

For commercial insurance, APA Services first contacted major national companies using established connections with Aetna, Anthem, Blue Cross and Blue Shield, Cigna, United/Optum and Beacon. APA Services described reported problems, worked to establish paths for resolving billing issues, and offered resources to help companies figure out tricky issues with the new codes. As of late May, all major national insurers appeared to have new codes loaded and were processing claims.

For Medicaid, problems have been reported with the implementation of the new codes in 27 states: Arizona, Connecticut, Florida, Georgia, Illinois, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, South Dakota, Texas, Washington and Vermont.

APA Services collaborated with state psychological associations and individual members to address the specific issues in their states. By the beginning of June, issues had been resolved in 10 states: Arizona, Connecticut, Massachusetts, Mississippi, Montana, North Dakota, New Hampshire, Pennsylvania, Washington and Vermont. APA Services is continuing its advocacy efforts in the 17 remaining states.

APA Services is continuing to educate insurers about the new coding structure. APA Services developed guidance documents for commercial and governmental
insurers about the new code set in an effort to help them generate and sustain more uniform billing, coding and payment policies. Collectively, these developments mean the situation is improving, say APA Services attorneys, coding experts and providers.

“Nobody could have anticipated how ill-prepared some payers would be in their implementation of the new codes,” says Connie Galietti, JD, legal and professional affairs director at APA Services. “With our advocacy and educational outreach to payers, they appear to be solving their problems; however, our members have suffered. As insurers start paying late claims, we encourage members to demand payment of interest in accordance with their respective state laws.”

A number of psychologists say that their payers are now properly applying the codes and appropriately processing reimbursements. Psychologists are also reporting to APA Services that they see the benefits of the new codes. Some providers say the distinction between the technical tasks of test administration and scoring versus professional evaluation services like test integration, interpretation and feedback sessions is an improvement. Another benefit, they say, is that they can now bill for the time they spend on scoring tests and on report generation.

“Some of the changes seem to be in the right direction payment-wise,” says Perri. At the same time, other psychologists report it is too soon to know what the financial impact of the codes will be.

### STAYING ON IT
APA Services will continue to fight for the timely and proper reimbursement of psychological and neuropsychological testing services. Specifically, the team of attorneys and coding experts are:

- **Educating payers** that are incorrectly applying the new testing codes.
- **Continuing to advocate** that payers increase the maximum units allowed, to take into consideration time for integration of complicated data, report writing and feedback with patients.
- **Retaining its seat** on the AMA CPT® Editorial Panel and RUC to represent psychology’s interests at the six annual meetings.
- **Closely monitoring** all updates to NCCI edits to ensure they are implementing correct coding methods and that practicing psychologists are properly reimbursed for the services they provide.
- **Preparing for future coding changes.** A new Health Behavior Assessment and Intervention code set will be released this summer in the Medicare Physician Fee Schedule proposed rule. APA Services is prepared to help the profession handle these changes before they take effect on Jan. 1, 2020.

APA Coding & Payment Policy Officer Meghann Dugan-Haas contributed to this report.